

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CIAE-00 COME-00 DODE-00

DOTE-00 FMC-01 INR-07 NSAE-00 CG-00 DLOS-09

OES-07 SS-15 L-03 H-01 PA-01 USIA-06 /071 W

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FM AMEMBASSY OSLO

TO SECSTATE WASHDC 4862

INFO AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY STOCKHOMM

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PARIS FOR OECD

BRUSSELS FOR USEEC

E.O. 11653: N/A

TAGS: EWWT, EFIN, NO

SUBJ: COMMERCE AND SHIPPING MINISTRY CLAIMS SWEDEN VIOLATES

OECD SHIP FINANCING RULES

1. UNDERSECRETARY PER MARTIN OLBERG IN MINISTRY OF COMMERCE AND SHIPPING CLAIMS, ACCORDING TO NEWSPAPER INTERVIEWS, THAT SWEDEN VIOLATES OECD SHIP FINANCING RULES. TWO NORWEGIAN SHIP OWNERS WHO HAVE CONTRACTED A TOTAL OF SIX SHIPS AT SWEDISH YARDS HAVE BEEN OFFERED SAME TERMS AS THOS EXTENDED TO DOMESTIC SWEDISH CUSTOMERS, THAT IS, 30 PERCENT STATE SUBSIDIES, THE REMAINING 70 PERCENT TO BE PAID IN INSTALLMENTS OVER 12 YEARS. CURRENT OECD RULES STIPULATE MAXIMUMS OF 80 PERCENT CREDIT AND PAYMENT OVER SEVEN YEARS.

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2. NORWEGIAN AUTHORITIES HAVE APPROACHED THE SWEDISH MINISTRY OF INDUSTRIES TO URGE CONFORMITY TO OECD RULES. ALLEGED SWEDISH CONTENTION THAT THE 30 PERCENT SUBSIDY PART OF PACKAGE IS GIVEN TO SHIPOWNERS, RATHER THAN TO SHPYARDS, DOES NOT CONVINCE NORWEGIAN AUTHORITIES THAT EVEN THAT PART OF DEAL IS WITHIN FRAMEWORK OF OECD REGULATIONS.

3. EMBASSY COMMENT: THIS ISSUE -- WHICH COULD RESULT IN NORWEGIAN AUTHORITIES REFUSING IMPORT LICENCES FOR THE SHIPS -- IS STILL UNDER CONSIDERATION AND THERE IS REASON TO BELIEVE THAT IT IS REGARDED WITH MIXED FEELINGS IN NORWEGIAN OFFICIAL CIRCLES.

AN IMPORT LICENCE WAS ACTUALLY GRANTED EARLIER THIS YEAR BY MINISTRY OF COMMERCE AND SHIPPING UNDER SIMILAR CIRCUMSTANCES FOR A 130,000 TDW. TANKER FROM SWEDEN'S UDDEVALLAVARVET. OLBERG HAS ADMITTED THAT THIS CONTRACT WAS IN VIOLATION OF OECD RULES BUT CLAIMED (NOT QUITE CONVINCINGLY) THAT LICENCE HAD TO BE GRANTED BECAUSE CONTRACT WAS PART OF A LARGE PACKAGE DEAL BETWEEN SHIPOWNER AND SHIPYARD. SECONDLY, NEW CONTRACTS FOR SIX SHIPS WOULD MEAN ABOUT 150 MILLION KRONER (\$27 MILLION) WORTH OF SUBCONTRACTING FOR NORWEGIAN FIRMS.
BREMER

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SHIPS
Control Number: n/a
Copy: SINGLE
Sent Date: 03-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977OSLO05436
Document Source: CORE
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Executive Order: N/A
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Legacy Key: link1977/newtext/t19771296/aaaaddxk.tel
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Litigation History:
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Original Previous Classification: n/a
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TAGS: EWWT, EFIN, NO
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